

**Additional Views on H.R. 3925**  
**Submitted by Rep. Waxman**

The majority has worked with me and other members of the minority to incorporate changes to H.R. 3925 which we suggested. This was done in good faith and many of our suggestions we adopted.

However, I continue to have serious reservations about this bill. I believe that blurring the line between the public sector and the private sector creates unnecessary conflicts of interest. There has been an attempt to deal with these problems by applying conflict of interest rules to the private sector employees who enter the federal workforce. But I am not sure that these rules alone will prevent abuses.

Further, under the bill as reported, a private sector employee, while working in the federal government, will have access to trade secrets of competitors and other sensitive commercial information. The bill expressly allows the private sector employee to disclose these trade secrets after just three years. I do not believe that this is wise public policy. Private sector employees should not have access to trade secrets or other sensitive nonpublic information that affects their private sector employer.

I also have concerns about the precedent of sending federal employees, who are paid by the taxpayer, to work for private sector employers for up to two years. I think this could be a new and potentially egregious form of corporate welfare. Under this bill as written, we could have a new type of federal subsidy for industry: federal employees, paid with taxpayer money, could be sent to private corporations for up to two years to help those corporations with their information technology work.

The majority maintains that this isn't a serious problem because the bill calls for an "exchange" of private sector workers for federal workers, so the cost of sending public workers to the private sector would be offset by the benefit of having private workers serve in the public sector. The problem is that there is no requirement for a one-to-one exchange in the bill. In fact, there are no limits at all on the number of federal workers who can be sent to the private sector.

The majority also suggests that sending federal workers to the private sector makes sense because they will receive good "training." But again, there is no such requirement in the bill. Section 3702 of the bill states:

On request from ... a private sector organization, ... the head of an agency may arrange for the assignment of an employee of the agency to a private sector organization.

There is no requirement that the assignment accomplish any training objective. This is a blank check to send federal workers, at taxpayer expense, to serve the private sector. The only precondition is that there be a request from the private sector.

During the markup of this legislation, I offered an amendment to address this flaw. The amendment would have established a comprehensive training program for information technology workers, run by the Office of Personnel Management. This training program is a well thought-out training program that is taken directly from H.R. 2458, which was introduced by the ranking member of the Subcommittee, Mr. Turner. The only change I have made to Mr. Turner's proposal is to add a provision that says explicitly that out-placements to the private sector can be included as part of the training program.

The majority's stated position is that the exchange program for IT workers is a form of training, particularly when federal workers are going to the private sector. If that is the case, then the exchange program should be run by those with expertise in training, and who can properly place such a program in the context of the overall training needs of the federal government's IT workforce. That is exactly what my amendment would have done.

Without my amendment, there are no limits on the program as written. Any number of well-paid senior managers – GS 11s to 15s, making up to \$107,357 a year– could be sent to private industry. The federal government could spend well over a million dollars on just five people for this type of “training.”

Everyone agrees that there is a need for more training. A recent report by the National Academy of Public Administration found that one of the major problems in the federal IT workforce was a “lack of investment in continuous learning within the federal government. This failure is especially problematic in the dynamic and rapidly changing world of IT. Such an environment makes it essential to invest in people.” My amendment would have directly addressed this lack of training while placing commonsense limits on the placement of federal employees in the private sector.

I also remain concerned about the possibility that the cost of private sector workers coming into the federal sector may ultimately be borne by the taxpayer. Under the bill, employees from the private sector would continue to be paid by their company while on detail to the federal government. Unfortunately, the costs of private sector employees' salary and benefits while on detail could be billed back to the federal government as overhead on certain contracts. This is clearly contrary to the spirit of the bill and should be corrected before final passage.